

Maryland E-Nnovation Initiative Fund Authority
Thursday, June 27, 2019
9:06 a.m. – 10:56 a.m.

University System of Maryland – Columbus Center
701 East Pratt St, Board Room #G025
Baltimore, MD 21202

The Maryland E-Nnovation Initiative Fund Authority (“MEIFA” or the “Authority”) convened a meeting at 9:06 a.m. on June 27, 2019, at the University System of Maryland – Columbus Center, 701 East Pratt Street, Board Room #G025, Baltimore, Maryland 21202. A quorum was present.

Members

Robert Hallenbeck, Chairman
Robert Caret, Chancellor, University System of Maryland
Renee Winsky, President & CEO Leadership Maryland and President & Founder, Bay One Group, LLC
Roger Venezia, Designee of the Secretary of the Maryland Department of Commerce
George Davis, CEO, Maryland Technology Development Corporation (TEDCO)

Staff, Guests, and Representatives

Barbara Kountz, Deputy Counsel to Maryland Department of Commerce,
Assistant Attorney General
Connie Page, Administrative Associate, Office of Strategic Industries & Entrepreneurship,
Maryland Department of Commerce
Heather Gramm, Senior Director, Office of Strategic Industries & Entrepreneurship, Maryland
Department of Commerce
Sarah Sheppard, Director, Education and Workforce, Office of Strategic Industries &
Entrepreneurship, Maryland Department of Commerce
Thomas “Mac” Middleton, Advisor, College of Southern Maryland
Eileen Abel, Vice President, Academic Affairs, College of Southern Maryland
Maureen Murphy, President, College of Southern Maryland

Call Meeting to Order:

Chairman Robert Hallenbeck called the meeting to order at 9:06 a.m.

Roll Call: Introduction of Authority Members and Others in Attendance:

Chairman Hallenbeck initiated roll call for members, staff, and guests in attendance. Attendees: Chairman Hallenbeck, Ms. Winsky, Mr. Davis, Dr. Caret, Mr. Venezia, Ms. Gramm, Ms. Kountz, Ms. Sheppard, Ms. Page, Ms. Abel, Mr. Middleton, and Ms. Murphy.

Review and Approval of Previous Meeting Minutes:

Chairman Hallenbeck noted that the minutes to be considered at this meeting were not approved in a timely fashion and that the proper procedures will be followed in the future.

After motion duly made and seconded, the Authority members unanimously approved the minutes for the meeting held on January 25, 2019.

Chair's Report

Chairman Hallenbeck informed the Authority that Roger Venezia, Designee of the Secretary of Maryland Department of Commerce, will be replaced by Sarah Sheppard, Director, Education and Workforce, Office of Strategic Industries & Entrepreneurship, Maryland Department of Commerce, as staff for the Authority. Mr. Venezia will be staffing the MEIFA proceeding this meeting. Chairman Hallenbeck noted that John Wasilisin and Andy Jones, Authority members and TEDCO executives, are no longer with TEDCO and that George Davis, Authority member, will be leaving TEDCO at the end of July. Chairman Hallenbeck expressed his appreciation for the service and advice of Mr. Davis, Mr. Wasilisin and Mr. Jones to the Authority and wished them the best in their future endeavors. Chairman Hallenbeck also expressed appreciation to Mr. Venezia for his work for the Authority in addition to his regular duties.

Budget Status Update

Mr. Venezia explained the following with respect to the FY 2020 budget. As of June 26, 2019, \$35,011,736 is appropriated. The 25% Cap amount is \$8,752,934. This is the fifth year of the program and the Department of Commerce is considering application for 2020 funds.

The Authority members briefly discuss the existing regulatory cap for awarding funds to institutions: University of Maryland College Park is \$2,355,868 under the cap; University of Maryland Baltimore is \$2,932,368, under the cap; Johns Hopkins University is \$4,107,368 under the cap; Washington College is \$8,444,618 under the cap; Hood College is \$9,444,618 under the cap; Mount Saint Mary's is \$10,388,618 under the cap; College of Southern Maryland is \$10,888,618 under the cap; Maryland Institute College of Art is \$10,888,618 under the cap; and Towson University is \$10,888,618 under the cap.

According to Commerce's Budget Director, the Authority has money in the Fund above and beyond the amount that has been awarded in the amount of approximately \$2,700,000. Mr. Venezia explained that a budget amendment process is necessary to obtain those funds if so desired by the Authority. After discussion, the Authority authorized Ms. Sheppard to initiate the process for obtaining those funds.

Mr. Venezia also gave an update on open encumbrances as of June 26, 2019. He noted that the University of Maryland Baltimore has funds that have not been drawn down: Herlick/Anesthesiology, FY18 and Fischell Dean's Endowed Professorship, FY17. They have only requested half the amounts. The Authority directed Ms. Sheppard to investigate why they have not requested the funds.

MEIFA Policy Discussions

Chairman Hallenbeck raised the following issues for general discussion regarding policies on donor agreements and qualified donations: How does the Authority view the geographic location of the donor (U.S., non U.S.)? Do donor agreements that have restricted covenants directing how the money should or should not be spent affect the Authority's view of and decision regarding qualified donations?

College of Southern Maryland Update

Mr. Venezia updated the Authority regarding that was item of discussion during the January 25, 2018 conference call regarding a Grant Agreement dated September 1, 2017 with the College of Southern Maryland (CSM). The item of discussion pertained to the hiring process for the endowed professorship and its current status and the concern that the research endowment plan was modified with the approval of the Authority. Mr. Venezia described the process of obtaining information from the College of Southern Maryland and the information known to date.

Chairman Hallenbeck called upon Ms. Abel, Ms. Murphy and Mr. Middleton, representatives of College of Southern Maryland, for an explanation of the process and current status. Ms. Murphy noted that CSM had several personnel changes that contributed to the miscommunication regarding the hiring process. She noted that Dr. Short's title was immediately changed from Endowed Professor to CSM Professor of Innovation immediately after CSM was aware of the issue. CSM is presently negotiating with Hugh Burrell for the professorship as contemplated in the research endowment plan.

Ms. Murphy also noted that the Velocity Center is a physical location where learning, innovation, research, and collaboration will occur among academia, Navy personnel and industry in conjunction with the MEIF research initiatives. Construction to retrofit the building has been delayed by several months because of CSM's desire to separate the design and construction efforts involved in the retrofit of the building. Their hope is to open in late fall, and there will be no delay in programming. CSM has four campuses with many labs to accommodate the work of the endowed research plan.

Chairman Hallenbeck expressed his appreciation to Ms. Murphy, Ms. Abel and Mr. Middleton for attending the Authority meeting and the prompt action of CSM to this issue when brought to its attention. After discussion, the Authority determined that no further action is required at this time with regard to this matter.

Approval of Closed Session

At 10:06 a.m., Chairman Hallenbeck made a recommendation that the meeting be closed to discuss applications. At Chairman Hallenbeck's request, Ms. Kountz stated, the statutory reasons for closing the meeting were §3-305(b)(13) and (b)(7) of the Open Meetings Act, (a) to comply with a specific statutory requirement that prevents public disclosure about a particular proceeding or matter, and (b) to consult with legal counsel with respect to legal matters with respect to such applications and an amendment request. It was noted that the applications include financial information of private individuals (donors), which is information protected from disclosure under

§4-336 of the Maryland Public Information Act. It was further noted that Chairman Hallenbeck had signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an Exhibit.

Upon motion duly made and seconded, it was unanimously,

RESOLVED, that the Authority move into Closed Session in accordance with §3-305(b)(13) and (b)(7) of the Open Meetings Act (OMA), to discuss the applications received by the Authority, which include financial information of private individuals, and to consult with legal counsel with respect to legal matters with respect to such applications.

Chairman Hallenbeck then preceded with the roll call. The following members (and designee) of the Authority were present during the closed session: Chairman Hallenbeck, Dr. Caret, Mr. Davis, Ms. Winsky and Mr. Venezia. Ms. Kountz, Ms. Page, Ms. Gramm and Ms. Sheppard also remained for the closed session.

Resumption of Open Session

The Open Session of the meeting resumed at 10:51 a.m.

Chairman Hallenbeck announced the following decisions made during closed session.

- University of Maryland School of Medicine and the Department of Neurosurgery – Endowed Professorship – The Howard M. Eisenberg, MD Distinguished Professorship in Neurosurgery; \$1,143,500 - APPROVED (unanimously)
- University of Maryland College Park – Endowment Professorship – Pier Giorgio Perotto; \$750,000 – APPROVED (unanimously)
- University of Maryland College Park – Endowed Chairs in Clark Leadership Data Analysis Program; \$750,000 – APPROVED (unanimously)
- Johns Hopkins University – Katey Ayers Professorship in Innovative Care in Aging and Mental Health; \$1,200,000 – APPROVED subject to receipt of donor letter/agreement and clarification regarding use of funds (unanimously)
- Johns Hopkins University – The Neurosurgical Pain Endowment in Neurosurgery; \$1,500,000 – DENIED (unanimously)
- Johns Hopkins University – Endowed Fund – Study of Novel Therapeutics for Ocular Diseases; \$1,000,000 – application not considered due to lack of qualified donation.

Date of Next Meeting; Adjournment

The Authority members determined the next meeting date of the Authority for consideration of applications as follows:

November 21, 2019 @ 9:00 a.m. – 12:00 p.m.

Location: University System of Maryland, 701 East Pratt St., Baltimore, MD 21202

Date of next MEIF Application deadline: November 1, 2019.

There being no further business during this portion of the meeting, a motion to adjourn until the afternoon's symposium was made, duly seconded and unanimously approved at 10:56 a.m.

Attachments:

FY19 – Total Funding and Awards by Institution
Open Encumbrances as of June 25, 2019